



ESG Annual Report 2023

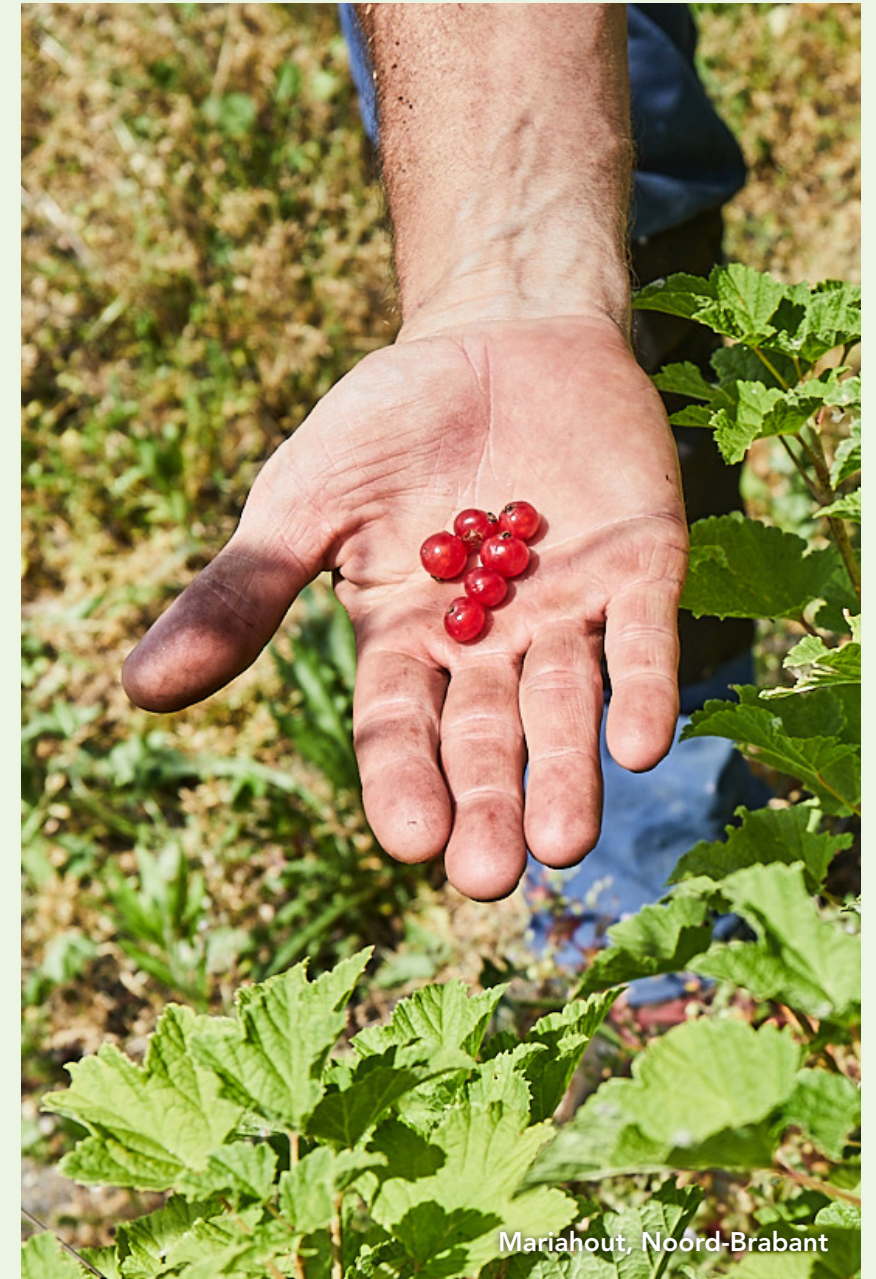
Investing in perpetual value

ASR Dutch Farmland Fund



Mission

"We create **perpetual value** for our investors and society by investing in sustainable and fertile farmlands."



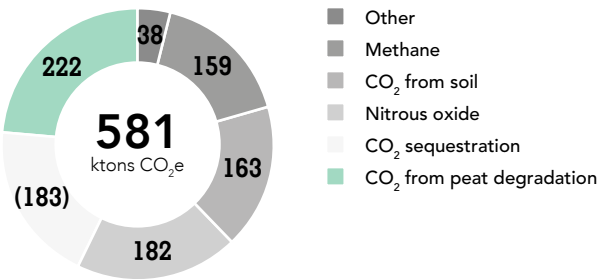
Mariahout, Noord-Brabant

Performance figures

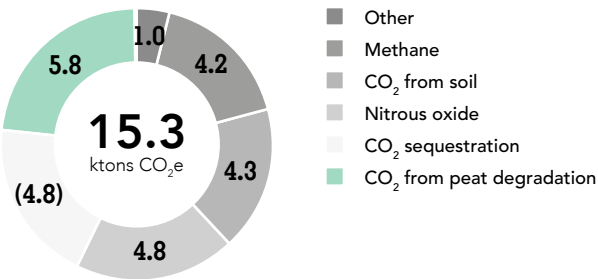
On our way to
Paris Proof




**Total CO₂-
footprint**
ktons CO₂e




CO₂-footprint
ktons CO₂e /
hectare



Soil quality -
Tenant participation in
'Open bodemindex'
(% of portfolio)

16.2%

Objective: ≥ 10%

Green leases for
new ground lease
agreements for
arable farmers

79.2%

Objective: ≥ 60%

Green leases for
new ground lease
agreements for
dairy farmers

90.1%

Objective: ≥ 90%

Climate adaptation -
landscape elements
(# of projects / year)

2

Objective: ≥ 5

Making agricultural land available
for the development of sustainable
initiatives and alternative crops
(# hectares)

43

Objective: 100

Tenant
satisfaction
(out of 10)

7.6

Objective: ≥ 7.5

Environmental, Social and Governance (ESG)

Responsible portfolio management is a top priority of the Fund. The Fund believes that it can best serve the interests of tenants and investors in the best possible way by creating and maintaining farmland investments that have long-term value from a financial, environmental and a social perspective. It aims to achieve this in a sound and responsible manner, in collaboration with engaged and conscious partners and employees. By doing so the Fund enables farmers to pass on the valuable farmlands in a better condition to the next generation of farmers.

The Fund has its own annual ESG policy which sets out its specific sustainability objectives. This policy has also been published on the a.s.r. real estate website. The Fund's aim is to position itself as a sustainable fund that has an impact on the Dutch agricultural sector by encouraging farmers to apply the principles of climate-smart agriculture. These principles motivate farmers to pass on their valuable assets to the next generation in better condition, measured in soil quality. Enhancing soil quality improves yields for both the Fund and the farmers. A thorough investment and management process, with a focus on the further development, distribution, implementation and monitoring of our climate-smart agriculture objectives, is key to achieving the Fund's environmental and social objectives.

To work towards these goals, the Fund develops strategic ESG objectives around the following themes:

1. Environmental
 - a. Sustainable productivity and sustainable farmer's income
 - b. Reducing greenhouse gas emission
 - c. Adapting to climate change and improve biodiversity
2. Social
 - a. Community & Tenants
 - b. Our employees
3. Governance: Alignment with sustainability guidelines and sound business practices

While each theme targets a specific aspect of the desired impact, all six must work together for the Fund to achieve its ambitions. Each theme has its own strategic objectives and these are reported on so that we can have an understanding of the progress being made. The Fund does not use a benchmark to compare the results to those of its peers.

Investing in perpetual value translates to:



Environmental

Dedicated to decarbonisation



Social

Making a positive impact on society



Governance




Compliant with sustainability regulations

Strategic objectives

The Fund has categorised its targets in three themes: Environmental, Social and Governance (ESG). The three themes contain separate, but complementary key targets, allowing the Fund to establish a future-proof rural real estate portfolio.

The Environmental and Social themes both have their own strategic objectives, which are listed in the table on the right. For the Governance theme a checklist applies. The Fund revises its one-year and three-year goals on an annual basis.

Strategic objectives 2023

Strategic objectives		Objective 2023	Realisation 2023
	Environmental		
	Sustainable productivity and sustainable farmer's income		
	Soil use - Portfolio contributes to food supply (% of portfolio)	≥ 80%	97.0%
	Soil quality - Tenant participation in 'Open bodemindex' (% of portfolio)	≥ 10%	16.2%
	Green leases for new ground lease agreements for arable farmers	≥ 60%	79.2%
	Green leases for new ground lease agreements for dairy farmers	≥ 90%	90.1%
	Green leases for existing agreements	≥ 10%	16.0%
	Reduction in greenhouse gas emissions		
	Carbon footprint (tons CO ₂ -equivalent per hectare)	≤ 15.2	15.3
	Allocate suitable farmland for renewable energy (# of projects / year)	≥ 5	3
	Expand our emission reduction plan with nitrogen emissions and water quality	Design plan	Plan designed
	Climate change adaptation and promotion of biodiversity		
	Climate adaptation - landscape elements (# of projects / year)	≥ 5	2
	Making agricultural land available for the development of sustainable initiatives and alternative crops (# hectares)	100	43
	Improve local biodiversity	Design plan	In progress
	Social		
	Community & Tenants		
	Tenant satisfaction	≥ 7.5 /10	7.6
	Active tenant participation programme (# of events / year)	≥ 2	3
	Facilitate young farmers (# of hectares new young farmers ground leases / year)	150	594
	Facilitate and publish agricultural confidence index (# of publications / year)	4	4
	Our employees		
	Employee satisfaction rating (eMood® score)	≥ 7.5	7.7
	Personal development		
	- Training (% of annual salaries)	≥ 1.0%	1.3%
	- Sustainable employability (% of annual salaries)	≥ 1.0%	1.0%
	Health & well-being (eMood® vitality score)	≥ 7.5	7.6
	Governance		
	Sound business practices	✓	✓
	Alignment with sustainability guidelines	✓	✓
	- SDGs	✓	✓
	- SFDR article 8	✓	✓



Environmental

The Fund aims to decarbonise its portfolio and to limit its negative impact on nature, society and climate. The Environmental strategic objectives focus on the Fund’s Paris Proof roadmap, climate adaptation and biodiversity. This approach leads to a future-proof, resilient portfolio.



	Objective 2023	Realisation 2023
Sustainable productivity and sustainable farmer's income		
→ Soil use - Portfolio contributes to food supply (% of portfolio)	≥ 80%	97.0%
→ Soil quality - Tenant participation in 'Open bodemindex' (% of portfolio)	≥ 10%	16.2%
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→ Expand our emission reduction plan with nitrogen emissions and water quality	Design plan	Plan designed
Climate change adaptation and promotion of biodiversity		
→ Climate adaptation - landscape elements (# of projects / year)	≥ 5	2
→ Making agricultural land available for the development of sustainable initiatives and alternative crops (# hectares)	100	43
→ Improve local biodiversity	Design plan	In progress

Sustainable productivity and sustainable farmer's income

Soil use

The Sustainable Development Goal (SDG) of Zero Hunger aspires to end all forms of hunger and malnutrition by 2030, ensuring that all people, especially children, have sufficient, nutritious food all year round. The Fund aimed to contribute to this SDG by making at least 80% of the portfolio available for food supply by the end of 2023. By the end of 2023, 97.0% of the portfolio contributed to supply of food.

Soil quality

The OBI has been placed in an independent foundation ('Stichting Open bodemindex') which facilitates forerunners in agriculture, in the movement towards further soil sustainability. The foundation manages and develops, the computing heart, based on the latest soil science, of the OBI. In addition, the foundation seeks greater support within the entire agricultural sector. It aims to set the quality standard for objectively determining soil and water quality functions of agricultural land. And aims to increase support for the computational heart and the resulting OBI score. The land user, the agro chain and the government thus speak the same independent common soil quality language. This language is needed to indicate the qualitative condition of all agricultural plots in the Netherlands. what the qualitative condition is and what you can change it in the medium and long term to make the soil as sustainable and responsible as possible. So that the soil can continue to be managed in an optimally sustainable and responsible way.

The Fund's aim was for 10% of the portfolio to be awarded tenant participation in the OBI by the end of 2023. In 2023 the Fund outperformed its target 'Tenant participation in OBI' by 6,2% (16,2 vs. 10%).

Portfolio contributes to food supply
(% of portfolio)

Objective 2023
≥ 80%

Realisation 2023
97.0%

Tenant participation in 'Open bodemindex'
(% of portfolio)

Objective 2023
≥ 10%

Realisation 2023
16.2%

Green leases

For 2023, the Fund has adopted new and more ambitious objectives for the implementation of green leases. The Fund has adjusted its sustainable product conditions such that green lease incentives are now more accessible to arable farmers. In addition, the target for the share of green leases in new contracts for dairy farmers was increased to 90% and a new target was set for existing contracts.

By the end of 2023, 90.1% of new ground lease agreements for dairy farmers included green lease clauses. For arable farmers, 79.2% of new contracts complied with our green lease criteria and a total of 16.0% of existing contracts were green leases.

Green leases for new ground lease agreements for arable farmers
(%)

Objective 2023
≥ 60%

Realisation 2023
79.2%

Green leases for new ground lease agreements for dairy farmers
(%)

Objective 2023
≥ 90%

Realisation 2023
90.1%

Green leases for existing agreements
(%)

Objective 2023
≥ 10%

Realisation 2023
16.0%

Reduction in greenhouse gas emissions

Carbon footprint

The total carbon footprint came to 581 kilo tons CO₂-equivalent as at 31 December 2023 (2022: 532 kt CO₂-equivalent). The increase in net emission is mainly caused by an increase of peat lands in the portfolio and an increase in nitrous oxide emissions directly related to the supply of nitrogen through fertilization. Because the uptake of nutrients by grass was about 10% lower than previous year, there was a higher soil surplus. This lower production can be explained by extreme drought in 2022 (CBS 2024). Since the fertilization is applied at the beginning of the season and the uptake is limited, this results in an increase in the soil surplus. Part of this surplus then leaches out during the winter months. This implies that changes in natural conditions such as the weather can have a significant impact on emission levels, and that the margin of uncertainty for natural variation is quite large.

The national modeling tool INITIATOR is used to calculate the integral carbon footprint. INITIATOR has been developed over the past 20 years to provide integral insight into the behavior of carbon and nutrients in rural areas. The emissions and sequestration of greenhouse gases of the farmland portfolio were mapped by using company-specific data (from the agricultural companies that lease the parcels) in relation to numbers of animals, soil type, land use and fertilisation. The greenhouse gases included were carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). The calculations were prepared by the Nutriënten Management Instituut (NMI) and reviewed by Wageningen University & Research (WUR).

The farmland portfolio of the Fund is tenant-operated. Therefore, the Fund's emissions are reported as scope 3 emissions.

Carbon footprint
(tons CO₂-equivalent per hectare)

Objective 2023
≤ 15.2

Realisation 2023
15.3

Carbon footprint (tons CO₂-equivalent per hectare)

Category	Emission source	Emission 2023 (ktons CO ₂ -eq)	Emission 2022 (ktons CO ₂ -eq) ¹	Change
CO ₂ from soil	Mineralisation	163	156	7
CO ₂ from soil	Peat degradation	222	211	11
Methane	Dairy farming	159	150	9
Nitrous oxide	Fertilisation	182	154	28
Other	Fuel, energy, etc.	38	38	0
CO ₂ sequestration		(183)	(177)	(6)
Net emmissions		581	532	49

Category	Emission source	Emission 2023 (tons CO ₂ -eq per hectares)	Emission 2022 (tons CO ₂ -eq per hectares) ¹	Change
CO ₂ from soil	Mineralisation	4.3	4.3	0.0
CO ₂ from soil	Peat degradation	5.8	5.7	0.1
Methane	Dairy farming	4.2	4.1	0.1
Nitrous oxide	Fertilisation	4.8	4.2	0.6
Other	Fuel, energy, etc.	1.0	1.0	0.0
CO ₂ sequestration		(4.8)	(4.8)	0.0
Net emmissions		15.3	14.5	0.8

1 Comparative figures have been restated as a result of updated calculation methods, new metrics and data sources, based on new scientific insights.

ASR DFLF portfolio emission provision

As a land owner, the Fund is committed to sustainable and socially responsible business practices. Sustainable soil management is part of this ambition. This management is not only important for the farmer to maintain soil quality, but aligns with the mission of a.s.r. national real estate to create sustainable value with land; value for land owners, land users and society in general. a.s.r. has accordingly expressed its ambition to actively contribute to the Dutch climate target: at least 49% CO₂ reduction by 2030 and towards a full reduction by 2050.

The Fund has been actively working with the Nutrients Management Institute (NMI) since 2018 to support and define this ambition. Based on a shared passion and commitment to sustainable agriculture, they developed an innovative soil quality assessment methodology, known as the Open Soil Index. Building on this, in cooperation with Wageningen Environmental Research (WEnr), in recent years they have made an integrated methodology available to provide insight into current and permissible greenhouse gas emissions and nutrients to the environment for the farmland portfolio.

Cooperation between NMI and WUR

The Fund has had the pleasure of working with the Nutrients Management Institute and Wageningen Environmental Research for several years. In 2020, researchers from the NMI and WEnr set up a methodology to provide area-related explicit insight annually into the prevention of - and possible options for reducing - carbon emissions and all nutrients in rural areas. This involves use of the expertise of agricultural experts, soil experts, ecologists and environmental experts. The researchers involved have years of experience in quantifying and

modelling the behaviour of carbon and nutrients in agricultural and nature systems, and have developed a robust, reliable and simple methodology to capture these emissions on the basis of business-specific data.

Explanation of method

The national INITIATOR model instrument is used to visualise the Fund's integral CO₂ footprint. Over the past 20 years, INITIATOR has been developed to provide an integrated understanding of the behaviour of carbon and nutrients in rural areas. It is a relatively simple and flexible model that maps all the important fluxes for carbon, nitrogen and phosphates at business and plot level, including supply in the form of mineral fertilisers, animal manure and deposition, crop uptake, emission of nitrogen gases (i.e. ammonia, nitrous oxide and nitrogen oxides) to the atmosphere and leaching and purging of nitrates, ammonia and phosphates to groundwater and surface water. In addition, the model calculates greenhouse gas methane emissions, changes in soil carbon stock and associated emissions or sequestration of CO₂ from soils and the accumulation and leaching of bases (acidification) and heavy metals. Emissions of NH₃, NO_x, N₂O and CH₄ from stalls and manure storage are also included, taking account of stall types and animal species. Detailed spatial data derived from national datasets, such as geographically explicit farm count data with animal numbers per establishment, and spatial data on soil, hydrology and land use, crop yields and manure transport, are used.

Reduction strategy and action perspective

Based on an analysis of the policy context in the Netherlands, in 2022 we identified the environmental challenges faced by the agricultural sector with a view to a sustainable living environment. To show the

contribution of the Fund's portfolio to these national indications, the national targets were identified for five categories: atmospheric emissions of greenhouse gases and ammonia, nitrogen and phosphate run-off into surface water, and nitrate run-off into groundwater. The INITIATOR model then identified the measures that could be used to achieve the intended reduction in emissions. The latest insights into the (full) impact of measures were used, so that measures could be taken at plot or company level. These measures range from "Good Agricultural Practice" around the management of soil, manure, water and crops to expensive business investments in animal housing systems, drainage or alternative forms of soil management. Based on this knowledge, insight can be obtained per sector, land type and type of land use into both the current losses and the potential for action.

GHG protocol

The Fund uses the developed methodology to contribute to limiting greenhouse gases in line with the Paris Climate Agreement. As a result, the Fund is exploring whether to commit to science-based climate goals as formulated in the Science Based Targets initiative (SBTi) as well as international accounting standards for greenhouse gas emissions (in accordance with the Greenhouse Gas Protocol). The SBTi is a collaboration between the Climate Disclosure Project, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature. Science-based targets provide a thorough analysis of emissions and reduction plans on a scientific basis. The GHG Protocol is the most widely used standard in the field of CO₂ registration, developed by the World Resources Institute and the World Business Council for Sustainable Development. The protocol is used by a large number of organisations, including governments, businesses and NGOs.

Allocate farmland for renewable energy

Through its dispersed ownership of farmland, the Fund is well positioned to facilitate energy parks. The Fund decided to cooperate with our lessees in allowing energy parks on farmland. Investments in wind and solar parks offer the opportunity to achieve sustainability goals and contribute to the energy transition. They enable the Fund to create impact and also to enable farmers to de-risk their business model, as energy parks provide a guaranteed cash flow based on subsidies for the first 15 years.

It was the Fund's intention to realise 5 renewable energy projects on suitable farmland plots in the Fund's portfolio by the end of 2023. By the end of 2023, 3 projects had been completed, including 1 wind park and 2 solar parks.

Allocate suitable farmland for renewable energy
(# of projects / year)

Objective 2023

≥ 5

Realisation 2023

3

Expand our emission reduction plan

To implement the reduction strategy, it is important to understand the action perspective: what measures can a farmer take to reduce emissions to the environment and protect soil quality? In addition, any financial, legal or other types of bottlenecks that prevent farmers from taking the required measures should be eliminated. To make this action perspective concrete, in the third quarter of 2023, NMI (Nutrient Management Institute) prepared a fact sheet with a focus on farm type, taking into account soil type and proximity to nature, among other aspects. Based on the theoretical insights gained from the fact sheets (in terms of selection, prioritization, and effectiveness and cost of measures), this should be tested in practice and, after acceptance, implemented at as many farms as possible.

Expand our emission reduction plan with nitrogen emissions and water quality

Objective 2023

Design plan

Realisation 2023

Plan designed



Niekerk, Groningen

Climate change adaptation and promotion of biodiversity

Landscape elements

Landscape elements, such as forests, wetlands, hedgerows, and flower meadows, play a crucial role in promoting biodiversity and producing healthy food resulting in some key benefits such as resilient ecosystems, preservation of native species, attracting pollinating insects, healthy soil and clean water. The Fund will directly invest in ‘landscape elements’ on the farmlands in our portfolio and therefore we plan to launch 5 projects in 2023.

In 2023, we started two additional initiatives to further develop and scale our experience in this field. One is a project with HAS Green Academy, which focuses on understanding the impact of landscape elements and barriers for scaling. The other is a partnership with SBNL, the aim of which is to create connections between landscape elements and the general public through the Natuur om de hoek platform.

The Fund was unable to complete any projects in the fourth quarter of 2024 due to prolonged rainfall. The reason for the delay in these projects is our meticulous approach towards soil conservation and our efforts to minimise driving on the land during wet conditions. The five projects which were scheduled for the fourth quarter have been postponed to the first quarter of 2024.

Climate adaptation –
landscape elements
(# of projects / year)

Objective 2023

≥ 5

Realisation 2023

2

Sustainable initiatives and alternative crops

Farmers have been associated with nature for thousands of years and have the ability to adapt to changing circumstances. Climate change plays a major role in this. We see adapting to this as one of the most important challenges. In order to make the sector resistant to climate change, we are in close contact with knowledge centres and enterprising farmers. We also facilitate farmers to test promising crops and cultivation methods jointly with farmers. This together contributes to the choices in techniques and varieties with future possibilities that can be scaled up.

The Fund will actively support new sustainable initiatives by making agricultural land available for the development of these initiatives (e.g., alternative (biobased) crops, new farming techniques or alternative revenue streams).

The Fund’s aim was to make at least 100 hectares of agricultural land available for the development of sustainable initiatives and alternative crops. By the end of 2023, 43 hectares of agricultural land were made available.

Making agricultural
land available for the
development of
sustainable initiatives
and alternative crops
(# hectares)

Objective 2023

100

Realisation 2023

43

Arable farmer Jan Menkveld improves soil quality using landscape elements

Arable farmer Jan Menkveld from Olst has planted hedges, a linden avenue and a windbreak on his land. All these landscape elements, funded by the ASR Dutch Farmland Fund, improve the quality of the soil and promote biodiversity. 'Farming is wonderful, but I believe it is too one-sided to only look at the crops you grow and what they yield.'

Jan Menkveld, arable farmer: 'My family has been farming in Olst for over 100 years. Originally this was a mixed company with both arable farming and dairy cattle. In the 1990s the dairy cows disappeared, and we have been arable farming on 40 hectares that we lease from a.s.r. and others ever since. Our farming include various types of grain such as rye, oat, barley and maize grain. And we also manage natural grasslands.'

Before my wife and I decided to join the company, I completed a vocational programme in forest and nature management followed by a course in rural regeneration. This education has allowed me to not only look at our soil through an agricultural lens; I also focus on promoting biodiversity and improving soil quality. This can be done, for example, by returning old landscape elements such as trees and hedges. In cooperation with Landschap Overijssel, I have worked on a plan that includes the landscape elements that work best in this area. We then worked with the a.s.r. steward to implement this plan, and the ASR Dutch Farmland Fund financed the layout and planting.

A 250-metre long thicket and a trimming and pruning hedge measuring 150 metres have been planted on the plots. We have also landscaped a windbreak; a strip consisting of various types of trees with a length of 200 metres and a width of 6 metres. Last but not least, we have dug a frog pond and planted a linden avenue. These landscape elements attract a lot more animals such as birds, butterflies, insects, salamanders and frogs.'

Django Conradi, rural real estate portfolio manager at a.s.r.:

'To encourage farmers to bring back landscape elements to the countryside, we will foot the bill for the layout and planting. Farmers can submit a proposal for this purpose. We do this because enriching the countryside using landscape elements is good for biodiversity, and boosts landscape experience and identity.'

In the past, Dutch farmland was surrounded by hedges, trees and stone walls. Not unlike the landscape that is still visible in the south of England today. In time, this changed, for example due to land consolidation. The result was large, rectangular pieces of agricultural land that could easily be farmed using agricultural machinery. Easy maintenance, but this type of efficiency comes at a price. The quality of the soil goes down due to the fact that there are no more hedges and trees. The soil retains less water and nitrate flows in the direction of the waterways. This has major implications for the crops that grow in the affected areas and for water quality. Wind and rain have full play and biodiversity declines due to the fact that there is not enough housing for animals such as insects, butterflies, birds and rodents.

We see that multiple farmers are following Menkveld's lead. If we work together to bring enough landscape elements back, the result will be a more climate-robust landscape with "green-blue veins"; a combination of water and green strips with vegetation, where animals can move freely. We want to provide the next generation with fertile farmland.'



Improve local biodiversity

In 2020 a.s.r. signed the Finance for Biodiversity Pledge and in 2022 the manifesto "Een natuurpositief Nederland als lonkend perspectief" was presented to the Minister of Nature and Nitrogen. In addition, there are increasing biodiversity policies and legislation to which the Fund wishes to conform. For the above reasons, and the desire to formulate clear biodiversity principles for the entire organisation, it was decided to design a biodiversity framework for the Fund. The framework serves the following purposes:

- Make a meaningful contribution to the conservation and restoration of (local) biodiversity
- Making biodiversity a natural(er) part of fund policy
- Provide clarity on definition, vision and ambitions in the field of biodiversity
- Identify strategic opportunities and risks for the Fund
- Establish measurable targets for reporting purposes

Improve local biodiversity
(design biodiversity framework)

Objective 2023
Design plan

Realisation 2023
In progress



Mariahout, Noord-Brabant



Social

The Fund strives to make a positive impact on society, enhance engagement and improve community standards for our tenants and employees. Diversity, equity, inclusion and well-being are valued within both our organisation and communities. Therefore, the Fund continues to challenge its impact and added value on the social factors of its portfolio.

	Objective 2023	Realisation 2023
Community and tenants		
→ Tenant satisfaction	≥ 7.5	7.6
→ Active tenant participation programme (# of events / year)	≥ 2	3
→ Facilitate young farmers (# of hectares new young farmers ground leases / year)	150	594
→ Facilitate and publish agricultural confidence index (# of publications / year)	4	4
Our employees		
→ Employee satisfaction rating (eMood® score)	≥ 7.5	7.7
Personal development		
- Training (% of annual salaries)	≥ 1.0%	1.3%
- Sustainable employability (% of annual salaries)	≥ 1.0%	1.0%
→ Health & well being (eMood® vitality score)	≥ 7.5	7.6



Niekerk, Groningen

Community & Tenants

Tenant satisfaction

The Fund’s tenants are important partners and the Fund works to ensure that they are involved, aware and content. The Fund actively seeks to improve tenant satisfaction and commitment by periodically conducting tenant satisfaction surveys at least every two years. The 2023 tenant satisfaction survey, which was held in the second quarter of 2023, revealed a number of areas in which there was room for improvement in tenant satisfaction and the quality of services provided by a.s.r. real estate and its contractors. The survey showed an average score of 7.6 out of 10, above the Fund’s target of 7.5.

“How do we deal with farm extensification, nature-inclusive farming and the farmer's income? A great challenge for a.s.r. to actively participate in this and to come up with proposals.”

“Encouraging sustainability is very good. Do not lose sight of efficiency and profitability of the agricultural business.”

“Maintain personal contact, which is the foundation under a healthy relationship.”

“A deal is a deal, fast and reliable.”

Tenant satisfaction

Objective 2023

≥ 7.5

Realisation 2023

7.6

Active tenant participation programme

The Fund aims to organise at least two knowledge-sharing events for our lessees to share knowledge with our tenants, to encourage knowledge sharing among tenants, and to find out which skill sets they would like to improve.

In 2023, the Fund organised a webinar for its clients in collaboration with experts. During the webinar, which was entitled ‘the natural merits of landscape elements’, experts talked about subsidy opportunities for landscape elements, how landscape elements can be created and what the benefits are for the agricultural companies.

Furthermore, we invited our tenants to participate in our customer panel. In 2023 we discussed twice the developments and challenges within the agricultural sector, and want to continuously improve and better understand the needs of our tenants. We engaged in dialogue with 25 farmers, including arable farmers and dairy farmers and with both organic and conventional farms. These both dialogues showed the diversity of companies, but even more the entrepreneurship of the farmers.

Active tenant participation programme

(# of events / year)

Objective 2023

≥ 2

Realisation 2023

3

Facilitate young farmers

To ensure that our food production is also guaranteed in the future, we must invest in young farmers who want to start or take over a business. Initiatives to encourage young farmers who want to start or take over a business and who want to invest in sustainable business development are perfectly in line with the Fund's ambition to create perpetual value within a green and vital agricultural sector. In daily practice the Fund has to meet the growing demand from young farmers for a customised product that makes it possible to obtain investment space in a responsible manner.

Contributing to ground mobility and the continuity of the sector are important social objectives of the Fund. Our Young Farmer Ground Lease product contributes to achieving these objectives. In 2023, 37 new contracts were signed (594 hectares). All these new contracts include sustainability criteria.

Facilitate young farmers

(# of hectares new young farmers ground leases / year)

Objective 2023

150

Realisation 2023

594

Facilitate and publish agricultural confidence index

Farmer confidence in the future is an important indicator for the social well-being in the agricultural sector. a.s.r. real estate contributed to the continued existence of the agricultural confidence index published by Wageningen University (WUR). The index was published again in March. Independent academic research contributes to the transparency in the sector and has a lot of value for society. This index is just one example of the strong collaboration between the Fund and the WUR.

Facilitate and publish agricultural confidence index

(# of publications / year)

Objective 2023

4

Realisation 2023

4



Schagen, Noord-Holland

Our employees

Employee satisfaction rating

A weekly survey is being conducted among a.s.r. employees: the Employee Mood Monitor (eMood®). This tool was developed in-house and intends to provide up-to-date information on the well-being and connectedness of employees. In 2023, the overall score of a.s.r. real estate was 7.7, surpassing the target of 7.5.



Personal development of employees

The personal development of employees in terms of their professional expertise, competences and skills continues to be the main focus of the a.s.r. human resources management. In 2023, a.s.r. real estate spent 1.3% of annual salaries on employees' learning and development. This largely exceeded the target of 1.0% of annual salaries, which shows that ample attention is paid to learning and development.

Next to training, there is a yearly target for sustainable employability. A dedicated HR team offers guidance to employees who want to move to another position. In 2023, a.s.r. real estate made 1.0% of annual salaries available for sustainable employability. a.s.r. offers its employees the opportunities to develop themselves in order to increase their chances on the labour market, both inside and outside a.s.r. Actual expenditures are not available to the Fund.



Health and well-being

Prioritising health and well-being and avoiding stress in the workplace are important issues. The weekly eMood® survey provides specific insights into the vitality of a.s.r. real estate employees. In 2023, the vitality score of a.s.r. real estate was 7.6, which is above the target of 7.5 and an improvement of the vitality score (7.4) in 2022. Based on these outcomes, targeted actions are being taken to improve the vitality of employees. Examples include the provision of fruit at the workplace and work-out challenges in the a.s.r. Vitality app.





Governance

In accordance with the mission of ‘investing in perpetual value’, the Fund believes that sustainability is a key factor in its long-term strategy. To achieve the strategic objectives, a dedicated sustainable governance framework is in place. The Fund closely participates in, aligns with, and complies to sector-wide sustainable initiatives, guidelines, and regulations.

	Objective 2023	Realisation 2023
→ Sound business practices	✓	✓
→ Alignment with sustainability guidelines	✓	✓
→ - SDGs	✓	✓
→ - SDGs article 8	✓	✓



Oosterhesselen, Drenthe

Sound business practices

For a.s.r. real estate, it goes without saying that ESG can only be fully embedded by means of sound, transparent business practices. Important principles of governance are (among others) its Integrity & Compliance regulation, Risk Management, Code of Conduct, Privacy Policy, Customer Due Diligence policy and Whistleblowing procedures. Furthermore, since 2015 a.s.r. real estate has been licensed under the AIFMD by the Dutch authority AFM as a provider of financial services in the field of collective and individual asset management.

SFDR and EU Taxonomy

The Fund adheres to the EU Sustainable Finance Disclosure Regulation (SFDR) and has published the SFDR statement on its website. Under this disclosure regulation, the Fund is classified as a financial product that promotes environmental characteristics within the meaning of Article 8(1) of Regulation (EU) 2019/2088. As of 1 January 2023, the second set of rules are disclosed for the Level 2 SFDR and EU Taxonomy Regulation.

The Fund promotes the climate and environmental objective 'climate change mitigation' as included in article 9 of the EU Taxonomy Regulation. The Fund promotes this objective in its underlying investments by promoting the stabilisation of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement.

The Fund continues to implement updated Regulatory Technical Standards (RTS) related to the SFDR and related legislation. For more information on the SFDR and EU Taxonomy, please refer to the pre-contractual disclosure in the Fund's Prospectus and the periodic disclosure in the Annual Report. The Sustainability-related Disclosures are published on the Funds' website as well. The Sustainability-related Disclosures are published on the [Funds' website](#) as well.

Embedding ESG

Organisational

The ultimate oversight and responsibility for sustainability performance and compliance lies with the fund director. The fund director is informed by a specialised sustainability team on the ESG performance and relevant market trends. A designated ESG coordinator oversees and implements the ESG strategy and related actions on the fund level. The fund director, sustainability team and ESG coordinators meet on a regular basis.

Partners

The Fund works with a number of long-term partners, such as its investors and knowledge and supply chain partners. ESG is a standing item on the agenda of periodic meetings with investors and knowledge and supply chain partners. In addition, there are guidelines for the Fund's partners to follow and quantifiable sustainability targets set out in agreements between parties. The Fund also seeks cooperation with governing bodies on sustainability initiatives.

Contracts

Both external documents and internal documents provide for ESG checks and goals, which are continuously updated. The Fund includes ESG provisions in lease agreements with its tenants and in agreements with parties such as maintenance parties, nature conservation organisations and government bodies.

Alignment with sustainability guidelines

The Fund's strategy is aligned with guidelines set by the following organisations:

UN Global Compact

a.s.r. signed up to the UNGC in 2011, embracing, supporting and implementing (within its sphere of influence) its principles relating to human rights, labour standards, the environment and the fight against corruption.



Finance for Biodiversity pledge

a.s.r. signed the Finance for Biodiversity pledge, with the intention to commit to protecting and restoring biodiversity through the finance activities and investments. The pledge was launched on 25 September 2020.



UN Sustainable Development Goals (UN SDGs)

The UN SDGs selected by a.s.r. as well as the Fund are an integral part of the ESG policy.



Paris Proof Commitment DGBC

By signing this Commitment in 2020, a.s.r. real estate embraces the targets of the Paris Climate Conference and actively works towards net zero in 2045.



Dutch Insurance Code

a.s.r. real estate, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.



TCFD

a.s.r. real estate, as part of a.s.r., has adhered to TCFD since 2019. TCFD is an industry-led initiative for consistent disclosure of climate-related financial risks and opportunities.



INREV (European Association for Investors in Non-listed Real Estate Vehicles)

The Fund is 92% compliant with the INREV Sustainability Reporting Module.



UN Principles for Responsible Investment

a.s.r. obtained an UNPRI A+-rating for its strategy and governance and an A-rating for its properties.



SFDR (European Union Sustainable Finance Disclosure Regulation) & EU Taxonomy

a.s.r. real estate and the Fund are compliant with the SFDR. The Fund qualifies in accordance with Article 8 of the SFDR. The Fund strives to be compliant to the future SFDR and EU Taxonomy regulations.



SDGs

In 2015, the Sustainability Development Goals (SDGs) were endorsed by all United Nations member states to enhance sustainable development at the global level. Ahead of 2030, these goals provide a shared blueprint for eradicating global poverty and inequality, combating climate change and creating a prosperous and peaceful life for all.

The Fund actively contributes to the SDGs as outlined on this page.



ASR DFLF actively contributes to four SDGs



The Fund aims to contribute to target 2.4: 'ensure sustainable food production systems... that increase productivity... and that progressively improve land and soil quality'. The Fund does this by implementing the 'Open bodemindex', by measuring and reducing greenhouse gas emissions in our portfolio and through our green lease products.



Through the 'Open bodemindex' and by awarding sound farming practices with our green lease products, the Fund contributes to target 12.4: 'environmentally sound management of chemicals and all wastes and significantly reduce their releases to air, water and soil in order to minimise their adverse impacts on human health and the environment'.



The Fund has concretised its ambitious reduction strategy with action perspectives for their farmers. The Fund is measuring the carbon footprint of the Fund's portfolio, resulting in yearly insight in the greenhouse gas emissions of the portfolio. The Fund will integrate reduction targets in our strategies and planning (target 13.2) and will help our farmers in building resilience and adapting to climate change (target 13.1).



By signing the Finance for Biodiversity pledge, the Fund is committed to protecting and restoring biodiversity through finance and investment activities, and thereby also committed to target 15.a. With the implementation of the 'Open bodemindex', the Fund aims to contribute to biodiversity in the soil. By financing landscape elements on the Fund's farmlands, the Fund is taking a first step in contributing to biodiversity on land.

Strategic objectives 2024-2026

The Fund has categorised its targets in three themes: Environmental, Social and Governance (ESG). The three themes contain separate, but complementary key targets, allowing the Fund to establish a future-proof farmland portfolio.

The Environmental and Social themes both have their own strategic objectives, which are listed in the table on the right. For the Governance theme a checklist applies. The Fund revises its one-year and three-year goals on an annual basis.

Strategic objectives 2024-2026

Strategic objectives		Target 2024	Target 2026
	Environmental		
	<i>Sustainable productivity and sustainable farmer's income</i>		
	Green leases for new ground lease agreements	≥ 90%	100%
	Green leases for existing agreements	≥ 20%	≥ 30%
	Portfolio contributes to food supply	≥ 80%	≥ 80%
	<i>Reducing greenhouse gas emissions</i>		
	Carbon emission (tons CO ₂ -equivalent per hectare)	14.2	13.9
	Nitrogen emission (kg NH ₃ per hectare)	38.7	36.8
	Facilitating farmers in execution of CO ₂ reduction plan	≥ 10	≥ 20
	Nitrogen emission reduction strategy	Design plan	Execute plan
	<i>Adapting and building resilience to climate change and improve biodiversity</i>		
	Climate adaptation - landscape elements (# of projects / year)	≥ 10	≥ 20
	Agricultural land available for the development of sustainable initiatives and alternative crops (# hectares)	100	250
	Social		
	<i>Community & tenants</i>		
	Tenant satisfaction rating (score out of 10)	≥ 7.5 / 10	≥ 7.5 / 10
	Facilitate young farmers (# of hectares new young farmers ground leases / year)	200	250
	<i>Our employees</i>		
	Employee satisfaction rating (eMood® score)	≥ 7.5 / 10	≥ 7.5 / 10
	Personal development		
	- Training (% of annual salaries)	≥ 1%	≥ 1%
	- Sustainable employability (% of annual salaries)	≥ 1%	≥ 1%
	Health & well being (eMood® vitality score)	≥ 7.5	≥ 7.5
	Diversity, equity & inclusion	Execute policy	Execute policy
	Governance	Compliant	
	Sound business practices	✓	
	Alignment with sustainability guidelines	✓	
	- SDGs	✓	

Colophon

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Text

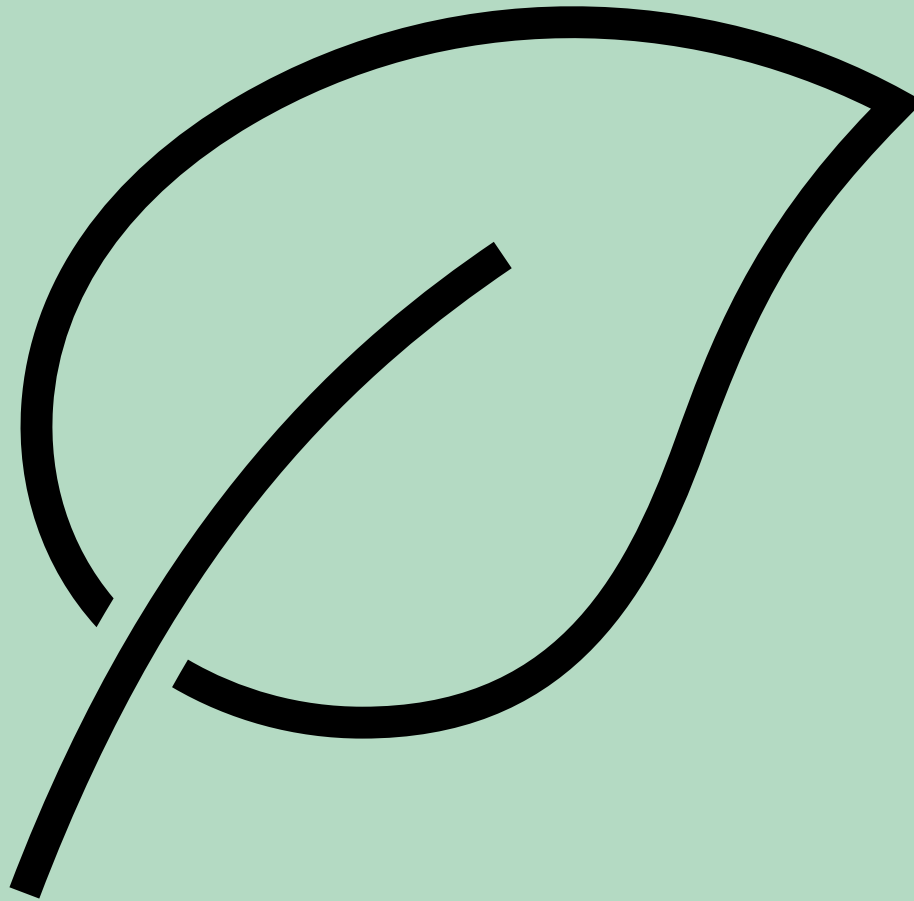
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de nederlandse
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verzekeringen